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ESTABLISHMENT OF THE WORK PROGRAMME OF THE STANDING COMMITTEE

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INTRODUCTION

1. It is ironic that, after three decades of development efforts, poverty has not declined in any of its many facets in a large part of the developing world, and has increased in the developed world, not to mention the case of economies in transition. Progress has no doubt been made in many countries, especially in the Asian region, mainly in those countries which have been successful in achieving high growth rates, but the number of poor has continued to rise even in some of those countries where the percentage of poor in the population has declined. These stark facts have served to refocus the attention of the world community on poverty alleviation and have been partly responsible for its re-emergence on the agenda of world development.

2. The intractability of the poverty problem and the meagre overall success of national, regional and global efforts to alleviate poverty in the past - notwithstanding some commendable achievements - have given rise to scepticism about new initiatives to tackle the issue. Yet the new post-cold war spirit of international cooperation offers some hope for renewed efforts to combat poverty. This hope stems from the twin perception that peace and prosperity are indivisible and that the solution of poverty problems can require the concerted efforts of both the affected developing countries and the world community as a whole. Rich and the poor alike have an equal stake in combating poverty, since its widespread existence threatens the social and political stability not only of an affected individual country or group of countries, but of the world at large.

3. It is this new global consensus on poverty alleviation, embodied in the Cartagena Declaration and Commitment, that has led to the establishment, under UNCTAD auspices, of the Standing Committee on Poverty Alleviation. This Committee is to be an action-oriented forum to create greater awareness and promote better understanding of the processes leading to the generation and persistence of poverty, and to assist in the articulation of policies and strengthening the political will at the national, regional, and global levels for combating and alleviating poverty. It is the first such intergovernmental body at the global level with an exclusive focus on the subject.

4. This brief note attempts to highlight the major policy issues which the Standing Committee on Poverty Alleviation may wish to consider, in the light of the terms of reference adopted by the Trade and Development Board at the second part of its thirty-eighth session which should guide its work and assist it in the formulation and implementation of its four-year work programme.

5. The note thus broadly follows the terms of reference of the Standing Committee. After outlining the rationale and motivation for the establishment of the Standing Committee, the note attempts to identify the major issues, including their relevance and scope, which the Standing Committee should focus on in drawing up its work programme. In identifying these issues, a key factor has been the awarenesss that the theme of poverty alleviation is not unique to the work of UNCTAD and is a concern shared by a large number of international organizations and agencies within and outside the United Nations system, most of them having a specific sectoral, geographical or other mono-disciplinary interest which delineates the boundaries of their specific concerns.[1] This consideration imposes on the Standing Committee a responsibility for taking cognizance of the work being carried out elsewhere in the system and for ensuring that unnecessary duplication with the activities being pursued in the field of poverty alleviation by other agencies and organizations is avoided and

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[1]/ For a detailed review of the activities of the United Nations system in the area of poverty alleviation, see Economic and Social Council, E/1992/47, 26 May 1992, Coordination of the Policies and Activities of the Specialised Agencies and other Bodies of the United Nations System, *Policies and activities relating to assistance in the eradication of poverty and support to vulnerable groups, including assistance during the implementation of structural adjustment programmes*, Report of the Secretary-General.

that the gaps in our knowledge of what causes poverty and why it is so persistent - as well as the lacunae in policy measures relating to the alleviation of poverty in an interdependent world - are adequately addressed and remedied. In particular, the Committee may wish to assume a key role as an international forum for exchanging experiences in poverty alleviation, thus filling a gap which arises from the limitation of bilateral dialogues in this respect. A second major role for the Committee could be the advocacy of a cause which often lacks the political will needed to formulate and implement effective poverty alleviation strategies and programmes.

6. This note also contains, in section III, a summary check-list of suggested elements for discussion by the Standing Committee in the light of its terms of reference, and a synoptic table of a possible organization and time-table of its work programme is given at the end of this note.

I. MAJOR ISSUES OF GLOBAL POVERTY ALLEVIATION

A. *Definition, measurement and trends*

(Terms of reference 2 (a))

7. The interest in poverty alleviation arose from an observed tendency in the development process: high growth rates of GDP in many developing economies were not in general resulting in a reduction in poverty. The disenchantment with GDP per capita as a measure of human welfare led to the measurement rather of the percentage of people or households lying below the poverty line - often based on an estimate of per capita or household income which would ensure a minimum level of caloric intake. This head-count ratio enabled planners to focus on the needs of the most deprived sections of the community (e.g. the bottom 40 per cent).

8. A number of refinements have been made to this basic methodology to capture the many facets of the poverty phenomenon, such as rural-urban, regional, gender-based, ethnic and other distinctions. Much effort has also been devoted to refining the conceptual basis of the poverty line by including not only the basic caloric requirements, but also the provision of minimum levels of housing, health care, education, entertainment and social security. Some analysts have also agreed that the poor themselves should be asked to define what they consider to be their basic needs since they have a better perception of their own sense of deprivation. Clearly, there is some need for refinement of the conceptual and definitional basis for the measurement of poverty, which would facilitate to some extent the international comparability of poverty situations in different countries and give some idea of the extent of deprivation of the poor at a global level.

9. Poverty manifests itself in many forms, nutritional inadequacy being the primary but not necessarily the most important aspect. Inadequate housing, education, employment and access to other facilities such as clean water, transportation, health and cultural amenities, as well as discrimination based on gender, ethnic considerations and social class are the other important correlates of poverty. Unfortunately, the measurement of these empirical correlates of poverty has lagged considerably behind the measurement of GDP and its correlates, which continue to dominate the discourse of development policy, notwithstanding notable efforts by UNDP and the World Bank in recent years. Identifying the areas on which data need to be collected, collated and presented on a regular or ad hoc basis is indispensable for an informed discussion on the need for poverty alleviation. The purpose of attaining definitional sharpness and clarity should, however, be primarily to achieve better targeting of poverty alleviation programmes and improved designing of the corresponding policies.

10. Despite the shortage of adequate data on poverty issues, there is overwhelming evidence that, with few exceptions, the record on global poverty alleviation is far from satisfactory and far inferior to the record on

economic growth, which itself has not always been satisfactory for many developing countries. The record on poverty alleviation in the 1980s was especially disquieting as the burden of macroeconomic adjustments brought about by the slowdown in the world economy, the debt crisis and other macroeconomic imbalances, fell disproportionately more on the poor. Even in Asia and the Pacific, where the growth performance was exceptionally strong, the number of people living in absolute poverty increased, partly owing to continuing population growth. But the worst affected regions were sub-Saharan Africa and Latin America, where drought and debt respectively were the main culprits. The incomes of the poor in those regions fell more than per capita income (which fell by 22 and 16 per cent in sub-Saharan Africa and Latin America respectively)[2], exacerbating the incidence of poverty. The macroeconomic reforms introduced through structural adjustment programmes took a heavy toll of social expenditures and reduced the access of the poor to the already limited infrastructure facilities available to them, such as education and health. In the 1990s, with the increasing trends towards privatization, deregulation and increased reliance on market mechanisms, poverty may worsen unless effective countermeasures are taken and essential safety nets are put in place for the most vulnerable groups, especially women and children. There is also the likelihood of emergence of large-scale poverty in the economies in transition, especially in the developing Central Asian Republics where the effects of recent political changes and ongoing reforms have resulted in a steep fall in the relatively low per capita incomes, impoverishing large numbers of people.

B. Strategies of poverty alleviation

(Terms of reference 2 (b))

11. Over the past 30 years, developing countries have tried different strategies of poverty alleviation with varying degrees of success. It is convenient to classify them in two broad categories. The first relies largely on the overall growth in the economy; the second focuses on specific target groups which a prior analysis of the poverty profile may reveal and relies heavily on three policy axes: redistribution of assets, particularly land; greater access of the poor to social services; and creating income-generating programmes for the poor.

12. The first strategy has fallen into disrepute as contemporary evidence has shown that the gains from growth in most developing countries accrue largely to the rich, and bypass the poor.[3] As a result, only a few countries, with extraordinarily high GDP growth rates, have succeeded in alleviating poverty through this particular strategy. However, the "trickle-down effect" associated with this strategy does have an important message: it serves to emphasize that economic growth is a necessary, although by no means a sufficient, condition for poverty alleviation.

13. As regards the second broad strategy mentioned in paragraph 11, redistribution of assets is politically a more difficult undertaking than income redistribution and ensuring access to social services. As a result, the subject of land reform, for example, has receded from the development agenda in most developing countries. However, it needs to be recognized that countries which have succeeded in undertaking asset redistribution have been able to create a basis for a sustained assault on poverty. As for access to services such as education, health, water, sewerage, electricity, etc., two factors have interfered with the achievement of poverty alleviation through this strategy. First, many of these services, especially those designed for the poor, have in the past been erroneously perceived as essentially social welfare programmes, with little or no impact on their productive

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[2]/ See *Policies and activities relating to assistance in the eradication of poverty and support to vulnerable groups, including assistance during the implementation of structural adjustment programmes*, document E/1992/47, op.cit, p. 7.

[3]/ Asymmetrically, it has been observed that during periods of recession the burden falls disproportionately on the poor, aggravating the poverty situation during the structural adjustment programmes.

capacity. Secondly, the expenditures on such services is usually biased towards urban areas and economically affluent sections of the population, who are frequently able to pay part of the user charges. The policy aimed at integrating the poor into the productive process, for example, through access to credit and income-generating public expenditure programmes targeted to the poor, appears to be the most efficient in reducing poverty in the long run.

14. Experience with targeting has in general shown, however, that it is not easy to reach the poor unless they are mobilized and made aware at the grassroots level. Serious problems stemming from injudicious selection arise in designing and implementing programmes and mechanisms targeted at the poor. These problems can be overcome only by involving the poor themselves in the design, implementation, monitoring and evaluation of such programmes (see para. 37).

15. Most developing countries have borrowed various elements of the two broad strategies to suit their own particular situations. Indeed, the countries which have been most successful in reducing poverty have followed a pragmatic approach by skilfully combining the ingredients of the two strategies, often through careful phasing of the different elements. However, very often a well-designed poverty alleviation strategy is difficult to articulate or implement in view of political and economic uncertainties, as well as natural disasters, such as floods, earthquakes and droughts, and social and ethnic conflicts, which create additional demands for poverty alleviation. The urgency of attending to such emergencies and the need for focusing on *ad hoc* programmes for the most vulnerable groups often interfere with the pursuit of a long-term strategy for poverty alleviation. In the 1980s, the emphasis placed on structural adjustments in most developing countries have further eroded the capacity to implement poverty alleviation programmes in many developing countries. There seems, therefore, to be a need to protect the viability of sustained poverty alleviation programmes from the fluctuations in the economic fortunes of developing countries.

C. Role of Domestic Policies

(Terms of reference 2(b) and 2(d))

16. In recent years there has been an increasing trend to give less prominance to the role of the State in the sphere of economic policy and to promote the role of the market. This course is valid in many cases, particularly for productive economic activities where bureaucratic control has been generally counter-productive. However, the State will have to continue to play an active role, not only in the strong advocacy of poverty alleviation programmes, but also through the creation of a conducive policy environment and through financial support to facilitate the implementation of programmes and projects for poverty alleviation that involve the private sector, the NGOs and the poor themselves. These policy initiatives at the national level will have to be complemented by supportive government policies at the regional and international levels.

17. The national policy instruments that are most often used for the alleviation of poverty can be broadly divided into three hierarchical categories: macro, meso and micro. So far, most policy-makers engaged in poverty alleviation have concentrated on the micro-level by designing micro-projects for the urban and rural poor. Macroeconomic policies are generally aimed at promoting growth, in the hope that this will have some positive effect in poverty alleviation. As was pointed out earlier, this may not necessarily be so. Thus - notwithstanding the fact that raising per capita food availability and ensuring food security in the long run are the necessary conditions for preventing famines in many developing countries - famines may occur even in periods of high per capita food availability stimulated by favourable macroeconomic policies, mainly through the loss of entitlements or purchasing power of the poor. On the other hand, it is possible to use macroeconomic instruments to alleviate poverty, along with promoting growth. For example, while the primary aim of monetary and financial policy is to control inflation and reduce external deficit, as pre-requisites of growth, it could also be used to promote lending to the poor for productive purposes. There is considerable evidence that the poor

can use credit efficiently, but that they are placed at a disadvantage by credit markets which favour large borrowers since the poor obviously lack of collateral. If priority can be given to small farmers and landless labourers and if group-lending schemes are introduced, monetary policy can directly help poverty alleviation.

18. The gap between macro-economic policies and microeconomic policies can be filled by meso-economic policies, which comprise both economic infrastructure (e.g. roads, irrigation and communications) and social infrastructure (e.g. health, education and community services), as well as the building of institutions, including markets, workers', peasants' and employers' organizations and extension services.

19. The failure of many anti-poverty programmes often stems, however, not so much from the lack of appropriate policies at any of the three hierarchical levels, but rather from the lack of consistency and linkages among them. There is often a tendency to concentrate on supply-side issues, such as the provision of school buildings, hospitals, water supply and electricity, without ensuring that the poor have the corresponding effective demand for, and access or entitlements to, these services. This is a much more important aspect of poverty alleviation and requires a greater understanding of, and sensitization to, the processes that create lasting poverty and the constraints preventing the poor from making use of available opportunities and services. The role of good governance (discussed later) is also important in policy implementation.

20. The main thrust of poverty alleviation policies must be to ensure that the poor are provided with opportunities for productive employment and a greater ability to break out of the vicious circle of poverty and to enter the mainstream of economic life. However, one must also ensure that the most vulnerable groups among the poor - especially women, children, the disabled, the very old, refugees and other disadvantaged groups - are provided with dependable safety nets in times of distress, such as national disasters, conflicts and periods of economic reforms and adjustment, in respect of their most basic needs, i.e. nutrition, health, housing and clothing. In many countries (developing or in transition) these safety net programmes would need to be financed by both national and international transfer programmes and on a sustained rather than an *ad hoc* basis.

D. International policy dimensions of poverty alleviation

1. Trade expansion (Terms of reference 2(e))

21. Poverty alleviation has largely been a domestic policy concern, notwithstanding the fact that the phenomenon of poverty is - partially at least - transmitted internationally. For instance, the emergence and aggravation of rural poverty has been, especially since the 1980s, partly due to the fall in international commodity prices. However, many developing countries have managed to diversify their economies and have moved from exporting of primary commodities to exporting manufactures or services. Success in export-led industrialization, based initially on labour-intensive manufactures, has generally resulted in the alleviation of poverty through both direct and indirect effects. Whether a country's export-led industrialization can prove to be an "engine of poverty alleviation" in the developing countries will, however, depend on the policies of both developing and developed countries. The former, many of whom have already started to liberalize their trade regimes and macroeconomic policies, will have to continue down that path in order to take advantage of the emerging opportunities in foreign trade and investment. At the same time, they should pay attention to the possible disruption that imports of cheap food or consumer goods may cause to the local production by the urban and rural poor. The developed countries, on the other hand, should remove the many obstacles to the access to their markets faced by the developing countries. It seems indeed that low-wage employment is relatively more affected by those shocks in international trade which are due to unilateral protectionist measures. However, not all developing countries will be able to benefit much from complete trade liberalization and some, which depend on only a few primary commodities, may even lose. These countries will have to diversify their economies further and could benefit from the relocation of industries which would inevitably result from trade liberalization and the concomitant changes in comparative advantage. They may require special measures of assistance during the transitional period.

2. International aid (Terms of reference 2(c))

22. International aid has often been defended as an instrument for reducing international income disparities, even if its impact on reduction of poverty in the recipient country may not always be very large. The traditional North-South positions on aid have found the South more keen to tackle international income disparities by accelerating the growth of developing countries, whereas the North now insists that greater attention needs to be given to the reduction of poverty within developing countries. In the new global context, it seems necessary to address the two issues simultaneously. This raises questions about the amount of aid, as well as its distribution, equity and utilization, relevant to poverty alleviation.

23. The current level of ODA, estimated for 1991 at around US$62 billion and representing some 0.35 per cent of GDP of developed countries - still far from the accepted United Nations target of 0.7 per cent - would not permit a serious assault on the problem of development or poverty. Low-income countries do not receive a share of this ODA commensurate with their populations. Moreover, many aid programmes are for non-economic (often strategic and commerical) purposes and are tied in some way. Even these are geared largely to providing the fixed costs of the projects, whereas many poverty alleviation programmes require recurrent funds, which the donors are reluctant to provide. It is not surprising therefore that the net impact of foreign aid on poverty alleviation programmes is much less than expected.

24. Not all the shortcomings in the effectiveness of the international aid programmes, however, can be laid at the door of the donors. Many recipient developing countries have used foreign aid for military expenditure or for supporting a bloated bureaucracy, rather than for improving the physical and social infrastructure which could help both overall development and poverty alleviation. Some countries have developed a syndrome of aid dependency which has engulfed them in deeper morass of stagnation and poverty. Others have used foreign aid to finance projects which contribute little to either growth or poverty alleviation and which sometimes have adverse environmental effects.

25. With the new partnership for development emerging between developed and developing countries, it is necessary to have a more candid and continuing dialogue on the role of foreign aid in poverty alleviation as well as on the most efficient channels to deliver it. The end of the Cold War and the ongoing process of democratization and popular participation in developing countries provide an opportunity both to increase the volume of aid and to use it for the most urgent and socially beneficial objective of poverty alleviation.

II. EMERGING NEW ISSUES IN POVERTY ALLEVIATION

A. Environment and sustainable development

(Terms of reference 2(f))

26. The perception of how sustainable development and environmental protection are linked with poverty alleviation has undergone a fundamental change. For a long time the view held sway that environmental problems mainly affected the developed countries: their rapid rates of industrialization in the past had caused environmental deterioration and now appeared to be unsustainable. In contrast, the developing countries' need to accelerate their development in order to alleviate poverty did not pose any serious threat to the environment. Although on balance, both nationally and internationally, it is the rich countries that have, in the main, polluted the environment and profited from it, serious environmental problems also arise from the resource-use practices that the poor, whether in urban or rural areas, adopt as part of their survival strategies. For example, earlier patterns of development and increasing population pressure have marginalized the poor and have pushed them

into areas of acute environmental degradation. It thus appears that development strategies in many countries have often failed to address successfully the joint problems of poverty and the environment.

27. Land degradation, desertification and deforestation are concentrated in areas where people have extremely limited opportunities for employment or other means of generating income. By providing greater access for the poor to productive assets and services, promoting human development and increasing employment opportunities, the alleviation of poverty can substantially decrease the pressure on life-supporting systems and thereby prove a most effective means for the protection of the environment. In addition to these policy lines, more direct action needs to be taken, focused on the promotion of sustainable resource-use patterns in poor urban and rural areas. The main challenge is then to design and implement the mix of technological, sectoral and financial policies required for supporting and extending these new resource-use patterns.

28. Not all general policies, whether at national or international level, to correct environmental problems will help to alleviate poverty. The mechanical application of the "polluter-pays" principle, for example, could harm the poor if it resulted in increased costs of products and services they need. It is therefore important to examine through which economic and regulatory tools the application of basic principles for the environment can best serve the twin joint objectives of poverty alleviation and ecological sustainability.

B. Demographic transition, migration and human resource development

(Terms of reference 2(g))

29. A main cause of the persistence of poverty is the continued rapid population growth in many developing countries. High rates of population growth are both a cause and an effect of continuing poverty. To the extent that a rise in per capita incomes has the potential to reduce poverty, a high population growth rate acts in the reverse direction. At the same time, the high incidence of infant mortality and low levels of education and illiteracy among the poor increase the demand for children as productive assets and reduce the acceptability and effectiveness of family planning measures. The slow pace of demographic transition - from a high-growth to a low-growth population - in many developing countries is thus both an obstacle to poverty alleviation and the result of half-hearted remedial efforts. It is therefore necessary to take account of the synergy between poverty alleviation and family planning programmes at all levels.

30. Since a high proportion of the population, in the developing countries in particular, continues to derive its sustenance and employment from agriculture and lives in rural areas, the slow progress in demographic transition and increasing rural poverty have given rise to an accelerating pace of migration to the cities in search of employment opportunities and better living conditions. Unfortunately, this escape route leads many into the dead-end of urban poverty. Although urban poverty is derivative, it has its own socio-economic constraints which are often more difficult and costlier to deal with at the policy level. Moreover, the solution to the problems of urban poverty cannot be deferred in the hope of an improvement at the rural level. The two most pressing problems of urban poverty relate to the support of the urban informal sector, which provides much of the employment to the urban poor, and assistance with the improvement of infrastructure facilities, both physical and social, in urban slums where most of the urban poor live.

31. International migration to developed countries or to more affluent developing countries has often provided a poverty alleviation avenue to the poor in many developing countries. Access to this avenue is becoming increasingly difficult owing to restrictive immigration policies in host countries and it is often not available to the poorest sections of the population in many countries in view of the prohibitive transport and intermediary costs of overseas migration. Nevertheless, it did provide an important safety valve for the often explosive poverty situation in the past.

32. International migration has in many cases played a useful role not only by making available substantial remittances, but also by infusing a degree of dynamism and occupational mobility which could play a catalytic role in accelerating development and alleviating poverty. At the same time, however, there are adverse effects of international migration both for developed and developing countries which need to be taken into account. These include the shortages of skilled workers becoming more acute in some developing countries, the harmful effects of imported lifestyles which emigrants bring to the home country on their return, and often a permanent loss of the most dynamic elements of the population. The national policies of both the developed and developing countries on international migration need to be carefully reviewed in the light of the possible costs and benefits to poverty alleviation.

33. In addition, there are millions of refugees fleeing from poverty, as well as from civil strife and a degraded environment, who seek asylum mainly in third world countries which are themselves already confronted with poverty problems. Such influxes represent a threat in terms of competition for land and scarce employment opportunities. In view of their magnitude and urgency, these problems need to be addressed not only at the national level but also through intensive international cooperation efforts.

34. A view which is being strongly advocated is that the focus of poverty alleviation policies should shift increasingly towards human resource development in order to enable men and women and the community at large to deal better with the problems of poverty.[4] The preoccupation with economic growth has often resulted in the relative neglect of education, health, child-care and provision of other social services. It has also manifested itself less in a rapid improvement in social indicators such as life expectancy at birth, child mortality, literacy and access to health services than in growth of per capita incomes. One of the basic causes for such disparity between social and economic performance indicators is the inadequate increase in social expenditures, especially education and health, on which the axe falls more heavily whenever financial difficulties arise. The contribution of human resource development to both poverty alleviation and economic growth is often not fully realised by policy-makers, nationally and internationally, as the results make themselves felt after a time lag. The long-term benefits of human resource development, especially of women, often substantially exceed the rates of return on investment in physical capital. It is therefore necessary to bring out the contribution of human resource development to economic growth and poverty alleviation more forcefully than has been done in the past.

C. Governance

(Terms of reference 2(b)

35. A central theme of the discussion on poverty alleviation strategies is the contrast between the "top-down" and "bottom-up" approach. The issue in a wider context is essentially that of quality of governance which affects the achievement of poverty alleviation and other development objectives. Recent experience with development policies has served to show that very often if a country fails to achieve one development objective, say poverty alleviation, it is also high likely to do poorly in others, by having a low growth rate, a low level of human resource development, a poor record of environmental protection and possibly recurrent civil strife, as well as having a poorly performing public sector and badly functioning markets. This clustering or conjunction of performance indicators, with very few trade-offs among individual objectives, is often the result of the quality of societal governance in a country.

36. While it is difficult to measure the quality of governance in a country - which in any case should be primarily a matter for the inhabitants of that country to pass judgement on - it does reflect itself in a number

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[4]/ See, e.g. UNDP, *Human Development Report* (various issues).

of ways. These include the capacity for designing an overall development strategy and the corresponding policies, the quality of public services produced, its ability to reach the people and its acceptability and legitimacy among the people governed, its ability to mobilize resources both within and from abroad, the perceived corruption in the governmental machinery and the integrity of its officials. The quality of governance is also reflected in a government's ability to collect socio-economic information and to undertake research and analysis on them with a view to taking informed decisions in an atmosphere of free discussion with its citizens.

37. A key constraint on the governance of a developing society appears to be its over-centralization, which impedes the proper implementation of strategies and policies of poverty alleviation. Centralization stifles the participation of the intended beneficiaries and thus loses a very important and often costless source of enriching and strengthening the impact of poverty alleviation programmes. Lack of participation of the poor in the decision-making process also allows local and national vested interests who wield considerable power over the bureaucracy to ensure that a substantial proportion of the benefits of poverty alleviation programmes is diverted to them rather than channelled to the poor. It is in this context that the NGOs, especially those in which the poor participate directly and effectively, have to play an important role. The success of poverty alleviation programmes depends on the institutional reorientation of governance in a way which would enable the problems of the poor to be fully articulated by them and reflected in the formulation and implementation of poverty programmes. In this endeavour a number of national experiences need to be studied for the purpose of providing useful exchanges to interested countries.

38. Another important aspect of good governance having a distinct bearing on poverty alleviation is its capacity to coordinate its policies in various fields in a consistent manner to achieve the maximum results for poverty alleviation. While many governments do undertake some excellent anti-poverty programmes in specific sectors, their results are often negated by other policies which lead to the exclusion or marginalization of the poor. Thus a programme for primary education for children may entail loss of income support (in cash or in kind) provided to the family. In the absence of a compensatory measure, the perceived loss of such income might discourage parents from taking advantage of the education programmes or force them to withdraw children from school and use them for household chores or other productive work.

III. CONDUCT OF INTERGOVERNMENTAL DIALOGUE AND SUGGESTED ORGANIZATION OF THE WORK PROGRAMME OF THE COMMITTEE

A. Conduct of intergovernmental dialogue

39. A major function of the Standing Committee on Poverty Alleviation would be to promote inter-governmental dialogue leading to operational policies on poverty alleviation, reduction and prevention, as well as to integrated national policies and complementary international support measures. Such a dialogue should be based on partnership and shared responsibility.

40. Use should be made of all major intergovernmental agreements linked to poverty alleviation. These include, *inter alia*:

(a) The International Development Strategy;
(b) The Cartagena Commitment;
(c) The Rio Declaration and Agenda 21;
(d) The Programme of Action for the Least Developed Countries for the 1990s;
(e) The Nairobi Forward-Looking Strategies for the Advancement of Women;
(f) The New Agenda for the Development of Africa in the 1990s;
(g) The WCARRD (World Conference on Agrarian Reform and Rural Development) Declaration of Principles and Programme of Action;

(h) The World Declaration on the survival, protection and development of children and the Plan of Action for implementing it.

(For a brief summary of the main thrust and content of these intergovernmental agreements, see annex II of the background note by the UNCTAD secretariat (TD/B/CN.2/3).

41. It is important that the participation in the Committee be at a high level and also from a broad segment of government departments engaged in the formulation and implementation of poverty alleviation programmes at the national, regional and local levels. Such an intergovernmental dialogue would also be greatly assisted by the presence of representatives of multilateral and bilateral agencies and NGOs, as well as prominent activists in the field of poverty alleviation and eminent scholars who could enlighten the Committee on the emerging issues on poverty alleviation and their interlinkages.

42. The dialogue should aim to complement the work being undertaken at the national, regional and global level. It should help identify the gaps in the knowledge and understanding of major policy issues and the difficulties encountered in implementing the policies and in translating them into effective programmes and projects. It should concentrate specifically on exchange of experiences with a view not only to enhancing learning from each other but also to promoting the replicability of successful experiences. In this connection, it would be useful to disseminate the Committee's main findings to principal actors involved in poverty alleviation, as well as to government constituencies.

43. The working methods that the Committee will adopt, including prioritization and sequencing of issues, will play a key role. Oral and written presentations by representatives during the Committee's sessions, including case studies prepared by countries volunteering to do so, and complemented by reports from seminars/workshops which could be held on some specific topics, would provide invaluable inputs to the work of the Committee.

44. As indicated earlier, a tentative check-list of substantive issues which fall under the terms of reference of the Committee, together with a number of other issues of a more procedural nature, are presented in section B below. For a more detailed list of questions that the Committee may wish to address, see the background note by the UNCTAD secretariat (TD/B/CN.2/3). The synoptic table below shows how the work of the Committee could be prepared and organized, with a suggested time-frame.

B. Suggested outline for deliberations by the Committee

45. The suggestions below derive both from the analysis made in this issues note and from the elements of the terms of reference elaborated in the background note (TD/B/CN.2/3).

1. Issues in the work programme

(1) Review of existing information and analyses on poverty
(Terms of reference 2(a))

Drawing on existing studies, the Committee may wish to:

(a) examine the characteristics and location of poverty;

(b) review causes and processes generating and perpetuating poverty;

(c) identify gaps in existing data and analysis and ways to address them;

(d) propose methodologies for a global analysis of poverty.

(2) Exchange and review of national experiences in dealing with poverty impediments and policy options for the prevention and alleviation of poverty (Terms of reference 2(b)) and Financing and organization of social development programmes (Terms of reference 2(d))

On the basis of country presentations, the Committee may wish to facilitate an exchange of experiences on the effect on poverty alleviation of:

(a) policies in the productive sector including:

(i) labour market structure and employment policies;

(ii) access to productive assets (land, capital, technology and infrastructure);

(iii) policies supporting productive activities (technical training, pricing policies, the regulatory framework for enterprise development and specific initiatives for expanding trade and production activities);

(b) policies in the social sector, including:

(i) access to social services (policy elaboration, service delivery, combination of delivery channels, financing of social services);

(ii) safety nets (transfer schemes, special problems of countries in transition in this respect, targeting of specific programmes);

(c) the macroeconomic framework bearing in mind the impact of structural adjustment, including:

(i) the effect of macroeconomic policies (including choice policy mix for stabilization and budgetary choices) on economic growth and the distribution of growth and their effects on poverty prevention and reduction;

(ii) the immediate effects on the poor of structural adjustment and interventions aimed at reducing the social costs of adjustment programmes on the poor;

(d) the institutional framework, including:

(i) good management (legislative and regulatory framework; planning systems; decentralization);

(ii) people's participation (the role of the institutions of the poor, women's participation; market and people's participation).

In doing so, the Committee would have to decide on:

(a) methodologies for reviewing national experiences (e.g., inter-country comparison versus issue-based approach);

(b) ways and means to select countries and issues for case studies (as well as who will prepare such studies);

Case studies could be prepared by countries volunteering to do so. The UNCTAD secretariat could be asked to prepare general guidelines for the preparation of such case studies. An indication of countries willing to prepare them could be given in the course of informal consultations during the first session of the Committee.

Syntheses and comparative analyses could possibly be prepared with the help of seminars, workshops or expert groups, with a view to enabling the Committee to identify:

(a) principal impediments to the implementation of national anti-poverty strategies and programmes;

(b) policy options for prevention, alleviation and eradication of poverty.

(3) Impact of development assistance and co-operation programmes
(Terms of reference 2(c))

The Committee may wish to:

(a) analyse the role, effectiveness and overall impact of international action to combat poverty;

(b) review the adequacy (quantitative as well as qualitative) of external financial resources to complement national efforts and identify major impediments (on both the donors' and recipients' sides) affecting implementation of assistance programmes for poverty alleviation;

(c) identify specific areas of external support and provide guidelines for the modalities of targeting external support to the poor;

(d) recommend mechanisms for optimizing the respective roles of governments, donors, international organizations, and NGOs in specific categories of programmes and projects.

The Committee may wish to convene a donor/recipient expert meeting to facilitate work in this area.

(4) Impact of trade expansion on poverty alleviation
(Terms of reference 2(e))

The Committee may wish to conduct a comparative analysis of:

(a) national and international policies and instruments to stimulate exports of low-wage labour-intensive goods and services from developing countries as well as the participation of small-scale enterprises in international trade;

(b) the effects of external shocks on the poor and national and international measures to mitigate them.

(5) Linkages between the alleviation of poverty and the achievement of sustainable development
(Terms of reference 2(f))

The Committee may wish to:

(a) analyse the linkages between poverty and sustainable development;

(b) study the implications for the poor of national and international policies and orientations relating to environment (e.g., application of the polluter-pays principle; avoidance of high environmental standards that might adversely affect the poor).

(6) The relationship between migrations and other demographic factors and poverty alleviation
(Terms of reference 2(g))

The Committee may wish to:

(a) analyse the linkages between migrations (internal and international) and poverty, as well as between fertility rates and poverty;

(b) assess the impact of anti-poverty policies and programmes on patterns and levels of internal migration;

(c) assess the impact of international migration on poverty levels;

(d) study policies and measures aimed at modifying fertility behaviour in favour of smaller family sizes;

(e) examine ways and means to target external support to family planning and population control.

2. Follow-up actions

46. The Committee may wish to examine how its main findings could be disseminated and its proposed policy measures could be translated into programmes and projects and be monitored.

47. In carrying out the above activities, the Committee may also wish to identify areas requiring technical assistance.

Table

SUGGESTED ORGANIZATION AND TIME-TABLE OF THE WORK PROGRAMME OF THE COMMITTEE

No.	BROAD AREAS OF WORK AND MAIN ISSUES	INPUTS	OUTCOME	Tentative calender
1.	Establishment of the work programme.	Issues note and background note by the UNCTAD secretariat. Preliminary round of presentations of national concerns and experiences by Committee members.	Programme, organization and time table of work of the Committee.	First session
2.	Review of existing information and analysis of poverty *** Related indicators *	UNCTAD secretariat notes/Oral Presentations/Reports by Governments and International Organisations.	Identification of the scope of types of poverty covered by the work of the Committee. Proposal for future work required.	First session
3.	Exchange and review of national experiences in dealing with poverty impediments and policy options in the prevention of poverty**: Employment creation and increasing the productivity of the poor; access of the poor to productive assets. Human resource and community development; social infrastructure development; social safety nets. Distribution of income and social benefits of development in rural and urban areas; impact of structural reform programmes on poverty alleviation*. Increased participation of the poor and vulnerable groups in development.	Oral presentations/reports by government and international organizations. Consultants' studies providing analysis of national experiences for selected countries and making comparisons between these countries (representing a diversity of typical situations in terms of poverty and in relation to national characteristics, while ensuring geographical balance) both at sectoral level and in terms of integration of policies. Reports of expert groups/ seminars/ workshops involving governments concerned, international organizations as well as community and other grass-root representatives dealing with the formulation and appraisal of anti-poverty projects for each of the four clusters of issues. Syntheses prepared by the UNCTAD secretariat/others.	Drawing lessons from experiences. Examining best ways and means to replicate successful programmes and projects (including devising necessary adaptations to specific situations and needs). Making relevant recommendations for alleviating poverty on specific policies as well as on overall strategies.	Second, third and fourth sessions
4.	Exchange of views on the impact of development assistance and co-operation programmes, including emergency assistance programmes, on the alleviation and reduction of poverty**.	UNCTAD secretariat note reviewing existing instruction on assistance projects, programmes and policies targeted to the poor or benefitting the poor,including evaluation of the volume and analysis of the composition, terms and conditions of such assistance. Report of donor-recipient meeting/expert group to advise on ways and means to ensure that assistance programmes and projects are consistent with and effectively support domestic policies for the prevention, alleviation and reduction of poverty; (ways and means to target programmes and projects for the poor (including policy options; mechanisms/types of donors; data base requirements), and how to cope with major impediments on both the donor and the recipient sides which could affect the implementation and sustainability of the above-mentioned anti-poverty assistance programmes.	Developing approaches to promote effective programmes. Identifying concrete external measures to support national action as well as modalities for targetting external measures to the poor and recommending mechanisms for optimizing the respective roles of governments, donors and international organizations in specific categories of programmes and projects.	Second and fourth sessions

Table (continued)

SUGGESTED ORGANIZATION AND TIME-TABLE OF THE WORK PROGRAMME OF THE COMMITTEE

No.	BROAD AREAS OF WORK AND MAIN ISSUES	INPUTS	OUTCOME	Tentative calender
5.	Questions relating to the financing and organization of social development programmes in developing countries, particularly in the areas of health, education, housing and sanitation (to be considered in conjunction with "Human resource and community development; social infrastructure and social safety nets")**	See No.2.	See No.2.	Second, third and fourth sessions
6.	Impact of trade expansion on poverty alleviation.*	UNCTAD secretariat note drawing on work carried out in concerned UNCTAD Committees (in particular the Committee on Commodities) and Ad-hoc groups (in particular, the Ad-hoc Working group on Trade Efficiency and Expansion of Trading Opportunities) as well as concerned divisions of the UNCTAD secretariat.	Devising policy proposals including more micro-small and medium-sized enterprises in international trade and assisting in programmes/projects aimed at building up direct and positive linkages between trade expansion and poverty alleviation. Proposing national and international measures to mitigate the impact of external shocks on the poor (falls in commodity prices,protectionism, trade sanctions).	Third and fourth sessions
7.	Linkages between the alleviation of poverty and the achievement of sustainable development.*	UNCTAD secretariat Report drawing on work carried out in the Trade and Development Board, other concerned divisions of the UNCTAD secretariat and other concerned organizations, on the links between sustainable development and the prevention, alleviation and reduction of poverty.	Preparing policy orientations in these areas, either in the framework of national experiences or at the international level.	Fourth session
8.	Relationship between migration and other demographic factors and poverty alleviation.*	Oral presentations/reports by governments and concerned international organizations. Consultant comparative studies on migrations and population policies as related to poverty alleviation.	Identifying conditions which would induce a positive relationship between poverty alleviation and demographic changes.	Third and fourth sessions

*** : Issues relatively well documented and on which there is a broad common understanding.

** : Issues partially documented and which need to be made operational on a wider scale.

* : Issues requiring further research.